

Risk Management



FY09 Service Level Report with historical data

Mission – Risk Management

To administer a risk management program that utilizes liability insurance, loss prevention and safety programs to prevent, reduce and minimize losses and liability exposure for the City.

Measures of Inputs

People

	FY05	FY06	FY07	FY08	FY09	FY10	FY05-FY09 Change
Liability / Risk Mgmt Full Time	1	1	1	1	1	1	0

Money

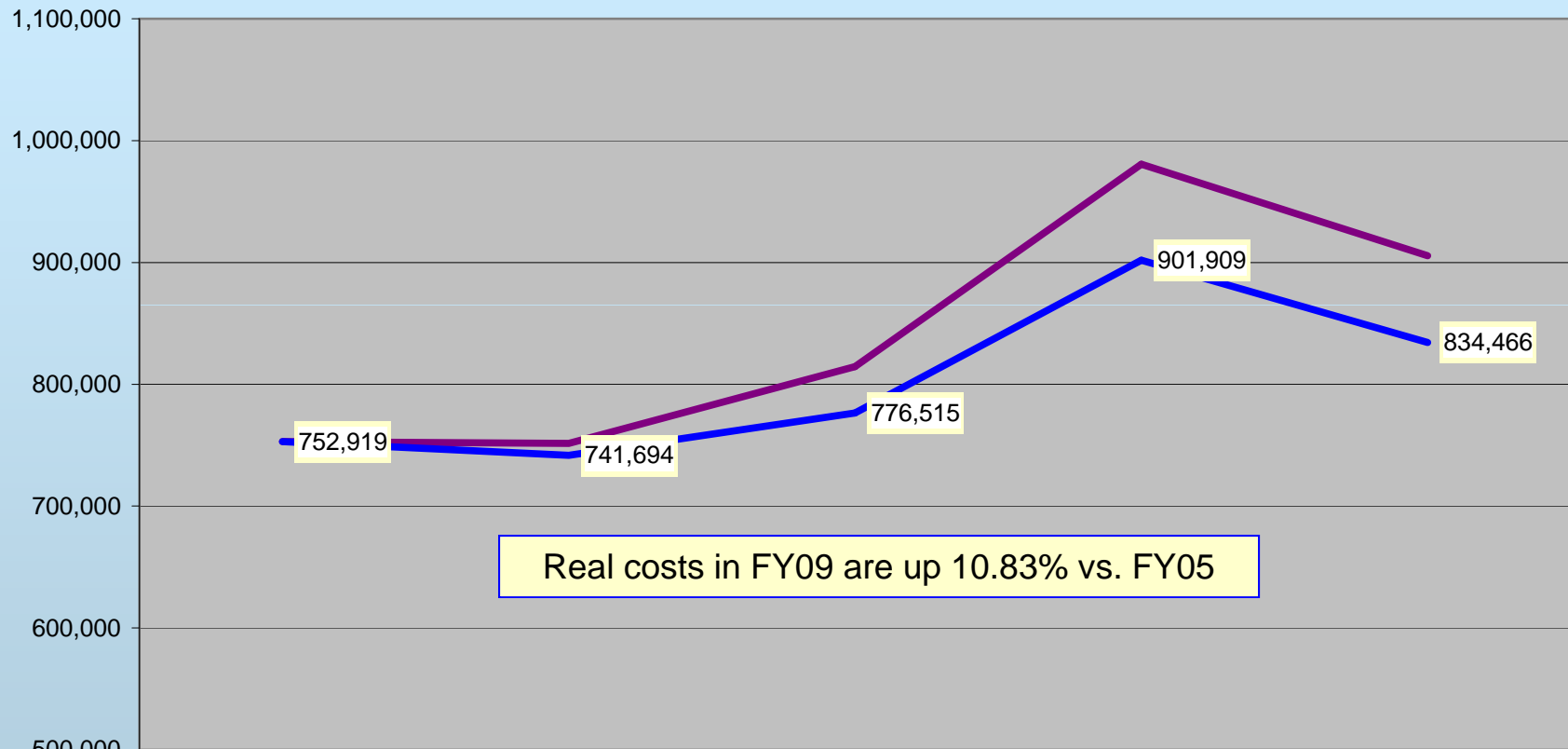
	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 BUDGET
LIABILITY & RISK MANAGEMENT						
Labor	74,896	107,534	111,557	115,195	116,851	117,943
Operating	663,424	643,841	701,911	865,373	783,703	868,048
Capital	14,599		1,000		5,030	
Total	752,919	751,375	814,468	980,568	905,584	985,991
CPI	199.2	201.8	208.9	216.6	216.2	
Real FY05 \$	752,919	741,694	776,515	901,909	834,466	
% Change in Real FY05 \$, FY05-FY09					10.83%	

Inherited Capital

None

Analysis of Inputs

Liability & Risk Management Department Nominal & Real FY05-FY09



Real costs in FY09 are up 10.83% vs. FY05

	ACTUAL FY 2005	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009
Total	752,919	751,375	814,468	980,568	905,584
CPI	199.2	201.8	208.9	216.6	216.2
Real FY05 \$	752,919	741,694	776,515	901,909	834,466



Measures of Outputs



Risk Management

	2007	2008	2009
Claims received	118	104	158
Claims paid	\$225,390.41	\$169,932.87	\$187,010.42
-Reimbursements		\$19,516.24	\$20,260.74
Net claims paid		\$150,416.63	\$166,749.68
Premiums paid	\$616,697.00	\$653,696.00	\$673,307.00
+Deductibles		\$14,927.28	\$15,612.73
Total Premium and Deductible Expense		\$668,623.28	\$688,919.73
Premium attributed to insure City Property (Estimate)	\$120,850.00	\$127,738.45	\$131,294.87

Measures of Outputs

Risk Management

Worker's Compensation Statistics

	2005	2006	2007	2008	2009
Claims Made	90	97	84	77	88
Open Claims	3	0	0	4	18
Claims Resulting in Time Loss from Work					34
Premiums Paid	\$819,786	\$698,223	\$760,486	\$784,833	\$730,731
Premium Refund	\$0	\$29,103	\$102,001	\$89,183	TBD
Net Premium Total	\$819,786	\$669,120	\$658,485	\$695,650	TBD
Claims Paid	\$676,300	\$303,833	\$125,216	\$209,228	\$278,744
Loss Ratio	82%	45%	19%	30%	TBD (38%)
Experience Modifier City/Ambulance	1.07/1.08	.86/1.05	.89/.97	.96/.70	.93/.67



Measures of Efficiency

Risk Management

\$ Claims paid per capita: $\$187,010.00/54,901 =$ **\$3.41** per capita

Benchmarks: ICMA survey average*: \$3.82

ICMA survey median*: \$3.42

Worker's Comp Claims per 100 FTE: $88/575 =$ **15.3**

Benchmarks: ICMA survey average*: 11.8

ICMA survey median*: 9.9

*ICMA 2008 survey, cities under 100,000 population

Explanatory Factors

Risk Management

City's policy is to report every worker's compensation claim, regardless of size, dollar amount or severity.

- Inflates number of claims reported compared to many cities**
- Instills safety awareness, ultimately keeping costs and significant injuries down**

Outcomes: Effectiveness & Results

Risk Management

- 1) Through the efforts of the Safety Coordinator, Human Resources and the safety program employees are reporting all injuries not just those that result in workers compensation claims**
- 2) Citizens' and in-house claims were promptly handled**

Optional Comments

Risk Management

- 1)GOAL - Continue to reduce liability claims, workers compensation exposures, claims and premiums through the Wellness, Safety and other educational programs.**
- 2)GOAL - Explore options to cover the risks associated with City operations.**
- 3)GOAL - Increase fund balance by \$200,000.**

Issues & Concerns

Risk Management

In order to become self-insured for risk issues and workers compensation a minimum fund balance of \$1.5 million is needed. In the current economic situation it will be difficult to increase the fund balance. However, if the integrity of the fund balance can be maintained and gradually increased over time the goal can be reached.